Previous references.

File No. 19-13

1913

Serial Nos. 7 8

(Banking)

Later references.
GD-37-17 RC9
GA 54-37/2/43
G.F 125-40(1-2)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 7 - 8

Part B. for October 1913

SUBJECT.

Publication of statement of affairs of Mysore Bank in the Gazette free of cost.

From - The Chairman, The Bank of Mysore Ld -

Requests that the Comptroller, Mysore Gazette may be authorized to publish the weekly statement of affairs of the Bank in the Gazette free of cost.

To H. Compton, Mysore Gazette (2) The Chairman, Bank of Mysore. No 1855-6 dated 21-10-13

Authorizes the publication of the Bank's weekly statement of affairs in the Mysore Gazette free of cost for the present.

G. R. S. 58

G.R.S. 11] 1913

GENERAL AND REVENUE SECRETARIAT.

(Banking)

NOTES.

File No. 19-13

FILE HEADING.

The Bank of Mysore, Ltd,

From

The Chairman, The Bank of Mysore Ltd. Bangalore-

No. 1632 Dated 6.10.13 Received 11 10 13

Diary No. 1565 | Enclos. 1 | Spare Copies. | Serial No. 7

BRIEF ABSTRACT OF LETTER.

Requests that the Compiler, Mysore Gazette, may be authorised to publish the weekly statements of the affairs of the Bank in the Gazette, free of charge

NOTES AND ORDERS.

Financial Secretary's order:—

I think it is not the intention to charge anything at present. Reply accordingly and instruct Compiler.

(Initd) J.S.C

11/10/13.

F. R. S. 12]

General and Revenue Secretariat.

B File No. 19 of 1913.

Serial No.

✓ Subd with a draft q.o.

Asst 10/8 12/10

3 Rapporteur attached

Fin[l] Secretary)

MS 14/10

4- Issue Gazette Extraordinary

To the Controller Mysore Gazette

" Chairman, Bank of Mysore

No H 1853-63 21-10-1913

Authorises the publication of the Banks weekly Statements of affairs in the Mysore Gazette free of cost for the present.

Subd to Dewan for information

Bbn 22/10

Seen

24.11.13.

6- 25-XI-13

No. 1632 Exc. I.

Bank of Mysore,

Avenue Road, Bangalore city.

DIARY No. 1565

6th October 1913

From

Rajasabhabhushana Dewan Bahadur

K. P. Puttanna Chetty, Esquire

Chairman, Provisional Board of Dire

Bank of Mysore, Ltd., Bangalore.

To

J. S. Chakravarti, Esq., M.A., F.R.A.S., &c.,

Financial Secretary to the Government of Mysore,

Bangalore.

Sir,

I have the honor to state that under Article 141 of the Articles of Association and para 3(xxx) of the Prospectus, copy enclosed, the Bank has to publish a weekly statement of the affairs of the Bank in the Mysore Gazette. Para5(Cl.v) of the Government Order No.Fl.5121-73-B.9-12-2, dated 12th March also contemplates such a publication. I therefore request you will be so good as to ove Government to kindly authorise the Compiler, Mysore Gazette, to publish the same from week to week. It is presumed that no charge will be ma for publishing these statements.

I have the honor to be,

Sir,

Your most obedient servant,

for Chairman.

PROSPECTUS OF THE BANK OF MYSORE, LIMITED.

UNDER THE PATRONAGE OF AND IN RECEIPT OF AID FROM THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

To operate throughout Mysore including the Civil and Military Station, Bangalore, and in British India.

REGISTERED UNDER THE MYSORE COMPANIES REGULATION, III OF 1895.

Capital Rs. 20,00,000.

DIVIDED INTO 20,000 SHARES OF Rs. 100 EACH.

In the allotment of shares preference will be given to the people of the Mysore State including the Civil and Military Station, Bangalore.

Subscriptions are payable as follows:—

Rs. 10 per share on application.

Rs. 15 per share on allotment.

Rs. 5 per share three months from date of allotment.

A further sum of Rs. 20 per share will be called in sums of not more than Rs. 10 at intervals of not less than two months.

The remaining Rs. 50 per share will be called when the Directors consider it necessary to do so, in instalments of not more than Rs. 10 at a time and after a previous notice of two months before each call.

The Bank will proceed to allotment as soon as 10 lakhs of share capital are subscribed. The allotment will ordinarily be made in the order of receipt of applications for shares, but the Provisional Directors reserve to themselves the power to reject an application in whole or in part without assigning any reason therefor.

A general meeting of the shareholders will be called within two months from the date of allotment of shares, to elect the Board of Directors, Auditors, etc.

The following gentlemen have been appointed Provisional Directors to issue the prospectus, collect the capital and take all necessary steps to start the Bank and put it into working order:—

1. RAJASABHABHUSHANA DEWAN BAHADUR MR. K. P. PUTTANNA CHETTY.—Retired First Councillor, Mysore Government.—Chairman.
2. MR. E. R. SUBROYER.—Retired Comptroller, Mysore Government.
3. MR. L. SRINIVASA IYENGAR.—Advocate, Bangalore.
4. MR. M. CHENGIAH CHETTY.—Retired Deputy Commissioner, Mysore Service.
5. MR. MANDI HARIYANNA.—Merchant, Bangalore.
6. MR. OOREKUNDE CHENNABASAPPA.—Merchant, Davangere.
7. MR. ABDUL QUDDUS.—Merchant, Channapatna.
8. MR. SINGRI NANJAPPA.—Merchant, Tiptur.
9. MR. AHMED SAIT.—Merchant, Civil and Military Station, Bangalore.
10. MR. BANUMIAH.—Merchant, Mysore.

BANKERS.

MYSORE GOVERNMENT TREASURIES; THE BANK OF MADRAS.
BANGALORE AND MADRAS

Registered Office.

EDINBURGH HOUSE, MUTT ROAD, SANKARAPURAM EXTENSION
BANGALORE CITY.

The volume of the external trade of the State has been roughly estimated at over 12 crores of rupees a year and a similar, if not higher estimate may be made of the internal trade. In his review of the external trade of the State for the last ten years the Director of Industries and Commerce says:—

"The improvement of finance is obviously the most crying need and the steady growth of the co-operative credit movement is a step in the right direction but more than this is necessary and the establishment of a strong local bank seems urgently called for. The Government has large accumulations invested at less than 4 per cent whilst its subjects have to pay from 12 per cent to 36 per cent for the loans necessary to carry on agriculture and trade. Through the agency of a local bank the Government could place some of its resources at the disposal of its subjects and not only would the actual assistance directly rendered be of value but it would encourage private effort in the same direction."

That there is great scope for the operations of a well-conducted bank in financing the trade and fostering the commercial and industrial activities of the people will be obvious to every one who knows the conditions of Mysore. The order of Government printed as an appendix clearly states the necessity that exists for a Bank for the development of trade and industries in the State, and enumerates the generous concessions that the Government of His Highness the Maharaja of Mysore are prepared to grant to the Bank when started, and all other particulars relating to the management of the business and employment of the funds of the Bank.

A weekly statement of the affairs of the Bank will be published in the *Mysore Gazette* and in one or more of the local papers. Efficient arrangements will be made for the audit of the accounts of the Bank every half year in addition to the audit kindly provided by Government.

Shares to the extent of nearly *4 lakhs of rupees* have been already subscribed.

The Memorandum and Articles of Association of the Bank may be inspected at the office of the Bank in Bangalore City and every person applying for a share or shares in the Bank or to whom any share or shares in the Bank shall be allotted will be deemed to have inspected the Memorandum and Articles of Association and to have full notice of the contents thereof.

Copies of the prospectus can be obtained at the office of the Bank or from the office of the Secretary to the Economic Conference, Bangalore.

Application for shares.

The Government of His Highness the Maharaja have been pleased to permit payments towards the share capital of the Bank being received at all Mysore Government Treasuries and at the Bank of Madras, Madras and Bangalore. Applicants for shares should pay their deposits into any Government Treasury or the Bank of Madras, Madras or Bangalore, with a *chalan in duplicate* containing full

particulars of the name, father's name and address of the applicant. One of the chalans will be returned to the applicant duly signed by the Treasury staff in the case of deposits in Government Treasuries. In the case of deposits in the Bank of Madras, the Bank will give a receipt to the depositor. Such chalan or receipt should be sent with the application which should be made in the accompanying form and should be sent—preferably by registered post—to the Secretary to the Provisional Board of Directors of the Bank of Mysore, Bangalore.

BANGALORE,
Dated 19th May 1913.

K. P. Puttanna Chetty, (Chairman).
E. R. Subbroyer.
L. Srinivasa Iyengar.
M. Chengiah Chetty.
Mandi Hariyanna.
Oorekundi Chennabasappa.
Abdul Quddus.
Singri Nanjappa.
Ahmed Sait.
Banumiah.

APPENDIX.

No. FL. 5121-73—B. 9-12-2, DATED BANGALORE, 12TH MARCH 1913.

ORDER THEREON.—The subject of creating banking facilities for the development of trade and industries within the State by utilizing local capital as far as possible, has been engaging the attention of His Highness the Maharaja's Government for some time past. The question of starting a State-aided Bank in Mysore was urged on the attention of the Economic Conference in the Dasara Session of 1911 by the Committee for Industries and Commerce. It was discussed at the Conference and referred by that body to a Special Committee consisting of the Members of the Industries and Commerce Committee and three other gentlemen including the Comptroller to Government. The subject was exhaustively considered by the Special Committee and a workable scheme was framed and submitted to the Economic Conference at the June Session of 1912.

2. The Conference in resolving upon the desirability of establishing a State-aided Bank recommend the grant of the following concessions to the Bank by the Government :—

(1) The Government to maintain in the Bank, for a period of fifteen years, a minimum balance of half the paid-up capital without interest and deposit another sum of five lakhs at a reasonable rate of interest, if required by the Bank.

(2) The rate of interest to be paid for deposits, if any, in excess of this amount and other terms for business between Government and the Bank may be arranged for for three years at a time.

(3) Government to pay half the working expenses of the Bank for the first five years.

(4) As far as possible, the Bank to be permitted to do treasury work wherever it has branches open.

(5) Whenever the Government has to collect interest on its investments, the Bank of Mysore to be given preference.

(6) Government to provide treasury guards, without charge, within the Mysore State without involving any liability for loss by theft, negligence, etc.

(7) Government to provide guards, free of charge, in places where there is no railway.

(8) Municipal and District Fund balances to be lodged in the Bank.

(9) Government to appoint an auditor, free of charge, every year to audit the accounts and submit a report to Government.

3. After having given the subject full consideration, the Government of His Highness the Maharaja are of opinion that the formation of a State-aided Bank to be called The Bank of Mysore, on the lines suggested and with its headquarters at Bangalore is desirable.

4. The Government will be pleased to grant the following concessions to the Bank when started:—

(i) The Government to maintain in the Bank, for a period of ten years, a minimum balance of half the paid-up capital, without interest, not exceeding five lakhs and to deposit another equal amount at a reasonable rate of interest, that is, not less than 3 per cent per annum, if required by the Bank.

(ii) The Government to pay half the working expenses of the Bank for the first five years and this contribution is not to exceed Rs. 10,000 per annum unless the special sanction of the Government is obtained to increasing the working expenses to more than Rs. 20,000 per annum.

(iii) The Bank to be permitted to do at district headquarters and other places approved by Government, such treasury work as may be decided upon from time to time.

(iv) The Bank to be given preference, as far as possible, in the matter of deposit of securities to be hereafter purchased by Government.

(v) The Government to supply treasury guards within the State and free escort for remittances between places not connected by railway for a period of five years and thereafter on payment of a reasonable charge, the Government not being held responsible for losses by theft, negligence, etc.

5. The Bank, on the other hand, will be required to consent to the following conditions. The concessions mentioned in the foregoing paragraph will continue only so long as these conditions are satisfied.

(i) To employ or invest or otherwise utilise at least 50 per cent of the capital, deposits and other funds at the disposal of the Bank within the limits of the Mysore State including the Civil and Military Station.

(ii) To appoint a duly qualified banking expert with the approval of Government to manage its affairs.

(iii) To its accounts being audited once a year, or more frequently by a person appointed by Government and to furnish Government as promptly as possible with all information and explanations and to produce for inspection of such person all accounts, documents, securities and other property of the Bank, as Government may require.

(iv) To obtain the approval by Government of the appointment of the President of the Directors.

(v) To publish such accounts as the Government may desire in the *Mysore Gazette* for the information of the public.

(vi) Not to engage in or enter into operations connected with foreign exchange.

(vii) Not to lend money on the security of immovable property.

(viii) To give due consideration to any advice that may be tendered by Government concerning the management of the business and employment and investment of the funds of the Bank.

6. In order to issue the necessary prospectus calling for shares, collect the required capital and to take necessary steps to bring the Bank into existence and to put it into working order, the following gentlemen each of whom has expressed his willingness to take shares in the Bank to the extent of Rs. 5,000 at least will form

a Provisional Directorate. The initial expenditure will be raised by the Provisional Directors amongst themselves and on the formation of the Bank they will be entitled to recoup themselves either in shares or in cash and receive such promotion money as may be agreed to by the shareholders and approved by Government.

Dewan Bahadur Rajasabhabhushana Mr. K. P. Puttanna Chetty, Chairman.
Mr. E. R. Subbroyer,
Mr. Mandi Hariyanna,
Mr. L Srinivasiengar,
Mr. M. Chengiah Chetty,
Mr. S. Narayana Rao,
Mr. Abdul Quddus,

with two more members to be added by selection by the above seven gentlemen.

7. The capital of the Bank should be not less than 20 lakhs but operations may be started when the paid-up capital amounts to 5 lakhs. As soon as the Bank is started the confirmation of the Directors or the appointment of new Directors and the management of the Bank will vest in the shareholders as is usual in such cases.

8. The Government have no objection to the contents of this order being widely circulated in the prospectus and otherwise and to the advertisement of the fact that the institution is under the patronage of and in receipt of aid from the Government of His Highness the Maharaja. But it should be made clear to all concerned that the entire liabilities as well as the entire profits of the concern will be the shareholders' alone. A note to this effect should be printed in the prospectus and on the back of the share application forms both in English and Vernacular.

9. The Government will, if required, for at least a year at the commencement, make available to the management of the Bank, such expert advice and co-operation as may be necessary to ensure its smooth working and development on sound business lines.

10. The Secretary of the Economic Conference will actively co-operate and do all that is necessary to help the Provisional Directors to bring the Bank into existence. An officer of the Account Department will also be associated to give advice in the initial stages of the organization."

J. S. CHAKRAVARTI,
Financial Secretary to Government.

G.R.S. 28]

File No. 19-13

Serial No. 8

Diary No. of letter replied to _____

Proceedings of the Government of His Highness the Maharaja of Mysore

GENERAL AND REVENUE SECRETARIAT.
(Banking)

the 191 .

READ— Letter no. 1632 dt 6-10-13.
from the Chairman, Provisional Board
of Director of the Bank of Mysore, Ltd,
requesting that the Compiler, Mysore
Gazette maybe authorised to publish
ORDER ~~THEREON.—No.~~
in the Mysore Gazette, free of charge,
the weekly statement of the
affairs of the Bank.

Date of issue 21-10-13

Signed by V L Narasimha Rao

Order thereon No. 761 855-6
dated 21-10-1913

SUBJECT.

Under para 5, clause (V)

~~the~~ G.O. no. 5121-73 — B.9-12-2 dt 7th March 1913, the Bank is required publish its weekly statement of affairs in the Mysore Gazette, and the Government of H.H. the Maharaja are accordingly pleased to authorise the Compiler, Mysore Gazette, to publish in the Gazette the weekly statement of affairs of the Banks when received.

2. The printing will be free of cost for the present. ...

14/10/13

First Secretary.

To The Compiler, Mysore Gazette.

... Chairman, Prov. Bd of Directors
The Bank of Mysore, Ltd.